



2023 SENATE BILL 67

February 15, 2023 - Introduced by Senators BALLWEG, COWLES, FELZKOWSKI, MARKLEIN, PFAFF and WANGGAARD, cosponsored by Representatives OLDENBURG, PLUMER, BROOKS, KNODL, MICHALSKI, MURSAU, NEDWESKI, RODRIGUEZ and SUBECK. Referred to Committee on Utilities and Technology.

1 **AN ACT to amend** 79.04 (5) (a) (intro.) and 79.04 (5) (b) (intro.); and **to create**
2 79.005 (1h) and 79.04 (8) of the statutes; **relating to:** changing the phase-out
3 of utility aid payments for decommissioned power plants.

Analysis by the Legislative Reference Bureau

Under current law, if a power production plant that is exempt from property taxes is decommissioned or closed, and therefore becomes taxable, the county and municipality where the plant is located each receive a utility aid payment for the first five years in which the plant is subject to the property tax, in an amount equal to a percentage of the utility aid payment received for the last year in which the plant was exempt. Under the bill, these post-exemption utility aid payments are made only for a production plant that is decommissioned. Under the bill, “decommissioned” means, with regard to a production plant, the earliest of the following: 1) the production plant is no longer recovered through the utility’s rates; or 2) the production plant is transferred to a person who is not subject to the annual license fees imposed by the state.

The bill also provides that, with regard to a power production plant that has multiple power generation units, the utility aid payment received by a county or municipality will not be reduced on the basis that one or more, but not all, of the power generation units permanently ceased generating electricity, and the amount of the payment will be the same as the payment received in the year before the year the first power generation unit permanently ceased generating electricity. In addition, the phase out of utility aid payments under the bill does not begin until the

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production plant is decommissioned, and the amounts of the phase-out payments are determined on the basis of the amount of the payment received in the year before the year the first power generation unit permanently ceased generating electricity.

For further information see the state and local fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 79.005 (1h) of the statutes is created to read:

2 79.005 (1h) “Decommissioned” means, with regard to a production plant, the
3 earliest of the following:

4 (a) The production plant is no longer recovered through the utility’s or
5 cooperative’s rates or, for a production plant owned by a qualified wholesale electric
6 company, as defined in s. 76.28 (1) (gm), the production plant permanently ceases
7 generating electricity.

8 (b) The production plant is transferred to a person who is not subject to the
9 annual license fee imposed under s. 76.28 (2) or 76.29 (2).

10 **SECTION 2.** 79.04 (5) (a) (intro.) of the statutes is amended to read:

11 79.04 (5) (a) (intro.) If property that was exempt from the property tax under
12 s. 70.112 (4) and that was used to generate power by a light, heat, or power company,
13 except property under s. 66.0813, unless the production plant is owned or operated
14 by a local governmental unit located outside of the municipality, or by an electric
15 cooperative, or by a municipal electric company under s. 66.0825, is decommissioned
16 or closed, the municipality shall be paid, from the public utility account, an amount
17 equal to the following percentages of the payment that the municipality received
18 under this section during the last year that the property was exempt from the
19 property tax:

SENATE BILL 67**SECTION 3**

1 **SECTION 3.** 79.04 (5) (b) (intro.) of the statutes is amended to read:

2 79.04 (5) (b) (intro.) If property that was exempt from the property tax under
3 s. 70.112 (4) and that was used to generate power by a light, heat, or power company,
4 except property under s. 66.0813, unless the production plant is owned or operated
5 by a local governmental unit located outside of the municipality, or by an electric
6 cooperative, or by a municipal electric company under s. 66.0825, is decommissioned
7 ~~or closed~~, the county shall be paid, from the public utility account, an amount equal
8 to the following percentages of the payment the county received under this section
9 during the last year that the property was exempt from the property tax:

10 **SECTION 4.** 79.04 (8) of the statutes is created to read:

11 79.04 (8) All of the following apply to the payments for property of a production
12 plant that includes multiple power generation units, except that this subsection
13 applies only if the production plant's first power generation unit permanently ceases
14 generating electricity after the effective date of this subsection [LRB inserts date]:

15 (a) No payment received by a municipality or county under sub. (1), (2), (6), or
16 (7) shall be reduced on the basis that one or more, but not all, of the power generation
17 units permanently cease generating electricity, and the amount of the payment shall
18 be the amount that the municipality or county received in the year before the year
19 in which the first power generation unit permanently ceased generating electricity.

20 (b) The payments under sub. (5) (a) or (b) shall not be made until the production
21 plant is decommissioned, and then the payments shall be determined on the basis
22 of the amount of the payment received by the municipality or county under sub. (1),
23 (2), (6), or (7) in the year before the year in which the first power generation unit
24 permanently ceased generating electricity.

25

(END)